

## Value-Added Producer Grant Program 2007 Working Capital Grant Application Checklist

Note: This checklist is for guidance only. Applicants **MUST** use the Notice of Solicitation of Applications published in the Federal Register on April 16, 2007 to determine the application requirements.

Yes	N/A	Requirement
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### General

		Application <i>postmarked</i> by deadline if sent by mail or courier delivery OR application <i>submitted</i> by deadline if using Grants.gov.
		You are requesting \$300,000 or less in grant funds.
		If you currently have a VAPG, the current grant period is scheduled to expire by December 31, 2007.
		You have not already received a working capital grant for this project.
		You do not have an outstanding judgment obtained by the United States in a Federal Court.
		You are not an excluded party.

### SF-424

		1. Type of submission is Non-Construction.
		2. Date submitted.
		5. Legal name of applicant.
		5. Applicant's DUNS number, unless individual.
		5. Applicant's address, including street, city, county, state, and zipcode.
		5. Name of contact person.
		5. Contact person's e-mail, if available.
		5. Contact person's phone number.
		5. Contact person's fax number, if available.
		6. Employer Identification Number (Social Security Number if an individual or steering committee)
		7. Type of applicant.
		8. Type of application is New.
		9. Name of Federal Agency is Rural Business-Cooperative Service.
		10. Catalog of Federal Domestic Assistance Number is 10-352 and the Title is Value-Added Producer Grant Program.
		11. Descriptive title of applicant's project.
		12. Areas affected by project.
		13. Proposed project Start Date and End Date.
		14. Congressional districts of Applicant and Project.
		15a. Federal amount (i.e. grant amount requested)
		15b. Applicant amount (i.e. matching funds from applicant).
		15c. State amount (i.e. matching funds from state agency).
		15d. Local amount (i.e. matching funds from local agency).

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		15e. Other amount (i.e. matching funds from third-party other than above).
		15f. Program income
		15g. Total amount (add grant funds plus all matching funds).
		17. Answer to question "Is the applicant delinquent on any Federal debt?" If yes, explanation is attached.
		18a. Name of authorized representative.
		18b. Title of authorized representative.
		18c. Telephone number of authorized representative.
		18d. Signature of authorized representative.
		18e. Date signed by authorized representative.

**SF-424A**

		Sec. A: Column a, line 1 lists VAPG.
		Sec. A: Column b, line 1 lists 10.352.
		Sec. A: Column e, line 1 lists the grant amount requested.
		Sec. A: Column f, line 1 lists the matching funds to be contributed.
		Sec. A: Column g, line 1 lists the total project cost.
		Sec. A: Line 5 contains the totals from columns e, f, and g.
		Sec. B: Column 1, line 6 lists VAPG.
		Sec. B: Column 1, line 6a-6j lists the total (grant plus matching) amounts for each budget category.
		Sec. B: Column 1, line 6k lists the total project cost (should match Sec. A, column g, line 1).
		Sec. B: Column 5 contains the total cost for each category (should match the numbers in column 1).
		Sec. B: Line 7 lists the program income amount.
		Sec. C: Column a, line lists VAPG.
		Sec. C: Column b, line 8 lists the amount of matching funds contributed by the applicant, if applicable.
		Sec. C: Column c, line 8 lists the amount of matching funds contributed by a state agency, if applicable.
		Sec. C: Column d, line 8 lists the amount of matching funds contributed by other sources, if applicable.
		Sec. C: Column e, line 8 lists the total amount of matching funds to be contributed to the project.
		Sec. C: Line 12 contains totals for columns a-e, as applicable.
		Sec. D: Line 13 contains the total grant amount requested in the first column, followed by the projected grant amounts needed for each quarter of the grant period.
		Sec. D: Line 14 contains the total matching funds to be contributed in the first column, followed by the project matching funds amounts to be contributed for each quarter of the grant period.

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		Sec. D: Line 15 contains the total project cost in the first column, followed by the total grant plus matching funds for each quarter of the grant period.

**SF-424B**

		Signature of authorized representative
		Title of authorized representative.
		Name of applicant organization.
		Date form submitted.

**Title Page**

		Title of project
		Any other relevant identifying information.

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**Executive Summary**

		Describe the goals of the project.
		Describe the tasks to be completed.

Yes	N/A	Requirement
		Discuss any other relevant information that gives a general overview of the project.
		Statement saying funds are requested for working capital purposes
		Statement indicating the amount of grant funds requested

## Eligibility Discussion

### *Applicant Eligibility*

		<p>If you are an Independent Producer:</p> <ul style="list-style-type: none"> <li>(1) Discussion of how 100 percent of the owners of the applicant organization meet the definition of an Independent Producer;</li> <li>(2) Discussion that demonstrates the owners currently own and produce more than 50 percent of the raw commodity that will be used for the Value-Added product; AND</li> <li>(3) Discussion that demonstrates the product will be owned by the Independent Producers from its raw commodity state through the production of the Value-Added product during the Project.</li> </ul>
		<p>If you are an Agriculture Producer Group:</p> <ul style="list-style-type: none"> <li>(1) State the mission of your organization;</li> <li>(2) Identify the number of members and board of directors that meet the definition of Independent Producer;</li> <li>(3) Identify (either by name or by class) the Independent Producers on whose behalf the work will be done;</li> <li>(4) Discussion that demonstrates these Independent Producers currently own and produce more than 50 percent of the raw commodity that will be used for the Value-Added product; AND</li> <li>(5) Discussion that demonstrates the product will be owned by the Independent Producers from its raw commodity state through the production of the Value-Added product during the Project.</li> </ul>
		<p>If you are a Farmer or Rancher Cooperative:</p> <ul style="list-style-type: none"> <li>(1) References the business' good standing as a cooperative in its state of incorporation;</li> <li>(2) Explain how the cooperative is 100 percent owned and controlled by farmers and ranchers;</li> <li>(3) If you are applying on behalf of only a portion of your membership, identify that portion and explain how all members in this portion of your membership meet the definition of an Independent Producer;</li> <li>(4) Discussion that demonstrates these Independent Producers currently own and produce more than 50 percent of the raw commodity that will be used for the Value-Added product; AND</li> <li>(5) Discussion that demonstrates the product will be owned by the Independent Producers from its raw commodity state through the production of the Value-Added product during the Project.</li> </ul>

Yes	N/A	Requirement
		<p>If you are a Majority-Controlled Producer-Based Business Venture:</p> <p>(1) State the number of owners who are Independent Producers and the number of owners who are not Independent Producers;</p> <p>(2) State the percentage of financial interest that belongs to Independent Producers and to non-Independent Producers;</p> <p>(3) State the percentage of voting interest that belongs to Independent Producers and to non-Independent Producers on the governing board;</p> <p>(4) Discussion demonstrating that the Independent Producers currently own and produce more than 50 percent of the raw commodity that will be used for the Value-Added product; AND</p> <p>(5) Discussion demonstrating that the product will be owned by the Independent Producers from its raw commodity state through the production of the Value-Added product during the Project.</p>

***Product Eligibility***

		<p>If the Value-Added product to be marketed meets category 1 (change in physical state):</p> <p>(1) State the raw commodity that will be used;</p> <p>(2) Explain the change in physical state or form of the product and how that change enhances its value; AND</p> <p>(3) Identify the Value-Added product that will be marketed.</p>
		<p>If the Value-Added product to be marketed meets category 2 (differentiated production/marketing):</p> <p>(1) State the raw commodity that will be used;</p> <p>(2) Explain how the production or marketing method adds value to the products value beyond the value that is added based on the standard production or marketing practice;</p> <p>(3) Provide a quantitative comparison between the differentiated product and the standard product using information from the feasibility study and business plan developed for the venture; AND</p> <p>(4) Specifically reference the business plan by indicating who developed the plan and when it was completed.</p>
		<p>If the Value-Added product to be marketed meets category 3 (product segregation):</p> <p>(1) State the raw commodity that will be used;</p> <p>(2) Explain the physical segregation of the commodity and how the segregation enhances its value;</p> <p>(3) Identify the Value-Added product that will be marketed;</p> <p>(4) Quantify the added value by using a comparison with products marketed without segregation; AND</p> <p>(5) Demonstrate that a physical barrier separates the commodity from other varieties of the same commodity during production, processing, and marketing.</p>

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		<p>If the Value-Added product to be marketed meets category 4 (renewable energy):</p> <ol style="list-style-type: none"> <li>(1) State the raw commodity/element that will be used;</li> <li>(2) State the process used to generate energy;</li> <li>(3) Identify the Value-Added product that will be used/marketed;</li> <li>(4) Demonstrate that the renewable energy will be generated on a farm or ranch owned/leased by the owners of the venture; AND</li> <li>(5) Discuss how the owners produce an agricultural commodity on the farm or ranch.</li> </ol>

***Purpose Eligibility***

		Describe how the proposed project consists of eligible working capital activities.
		Describe how the proposed activities are directly related to the processing and/or marketing of a Value-Added product.
		Reference a third-party, independent feasibility study that was completed for the venture by including the name of the party who completed the study and the date it was completed.
		Reference a business plan that was developed for the venture by including the name of the party who completed the plan and the date it was completed.

**Goals of the Project**

		Statement indicating the goals of the project.
		Explanation of how the market will be expanded through the project.
		Explanation of the degree to which incremental revenue will accrue to the benefit of the producer(s).

**Performance Evaluation Criteria**

		Projected increase in number of customers attributed to the project.
		Projected increase in revenue accruing to the Independent Producers attributed to the project.
		Projected increase in number of jobs attributed to the project.
		Projected increase in energy capacity attributed to the project, if the project involves renewable energy.

**Proposal Evaluation Criteria**

		<p>Business viability</p> <ol style="list-style-type: none"> <li>(1) Discuss technological feasibility</li> <li>(2) Discuss economic efficiency</li> <li>(3) Discuss sustainability</li> <li>(4) Discuss efficiency of operations</li> </ol>
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		<p>Customer base/increased returns</p> <p>(1) Describe how the customer base for the Value-Added product will expand because of the Venture</p> <p>(2) Describe how a greater portion of the revenue derived from the venture will be returned to the Independent Producer owners of the venture</p> <p>(3) Use the information from the pro forma financial statements developed for the venture to demonstrate the customer base expansion and/or increase in revenue</p>
		<p>Commitments and support</p> <p>(1) Discuss the number of Independent Producers currently involved in your project</p> <p>(2) Discuss the number of Independent Producers who may potentially be involved in your project</p> <p>(3) Discuss the nature of the contributions from these Independent Producers</p> <p>(4) Discuss the level of the contributions from these Independent Producers</p> <p>(5) Discuss the quality of the contributions from these Independent Producers</p> <p>(6) Identify markets for the product</p> <p>(7) Identify letters of intent or contracts from buyers and the amounts to be purchased</p> <p>(8) Include any support letters that are NOT providing matching funds in Appendix A. (Support letters verifying matching funds should be separated into Appendix B.) And remember that these letters count toward your 35 page limit for the Proposal Narrative.</p>
		<p>Management team/work force</p> <p>(1) Discuss the education and capabilities of the project managers</p> <p>(2) Discuss the availability and quality of the labor force</p>
		<p>Work plan/budget</p> <p>(1) Budget presents a detailed breakdown of all estimated costs associated with the working capital activities and allocates those costs among the listed tasks;</p> <p>(2) Key personnel are identified for each task;</p> <p>(3) Timeframes are identified for each task;</p> <p>(4) Matching funds and grant funds are represented in the budget;</p> <p>(5) Matching funds will be spent a rate equal to or greater than grant funds;</p> <p>(6) Timeframe of total budget is 365 days or less;</p> <p>(7) Project is scheduled to be started on or after October 1, 2007;</p> <p>AND</p> <p>(8) Project is scheduled to be completed by November 30, 2008</p>
		Amount requested – state the grant amount requested.

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Yes	N/A	Requirement
		Project cost per owner producer – state the number of Independent Producers who are owners of the Venture
		Business management capabilities (1) Discuss your financial management system (2) Discuss your procurement procedures (3) Discuss your personnel policies (4) Discuss your property management system (5) Discuss your travel policies
		Sustainability and economic impact (1) Discuss the likelihood of sustainability for your project (2) Discuss the expected economic impact of your project on the local economy
		Business size – state your gross sales for your most recent fiscal year
		Administrator points – if you choose, discuss how your project will use an innovative technology or will be located in an under-served area

**Certification of Matching Funds**

		Statement that matching funds will be available at the same time as grant funds are anticipated being spent
		Statement that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement

**Verification of Matching Funds**

		Cash from the applicant is verified by a bank statement with an ending date within one month of the application submission
		A line of credit from the applicant is verified by a signed letter from the lending institution verifying the amount available, the time period of availability of the funds, and the purposes for which funds may be used
		Cash from a third party is verified by a signed letter from that third party verifying how much cash will be donated and when it will be donated
		In-kind funds from a third party are verified by a signed letter from the third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services
		The proposed amount of matching funds equals at least 50 percent of the total project cost
		All proposed matching funds will be contributed during the proposed time period of the grant
		All proposed matching funds come from eligible sources
		Documentation for the valuation of the matching funds contributions is available if the Agency requests it